



BUILDING ON SUCCESS FOR SUPERIOR SCHOOLS

PUBLIC SCHOOLS OF NORTH CAROLINA State Board of Education | Department of Public Instruction

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A MESSAGE FROM CHAIRMAN LEE



North Carolina's public schools have made tremendous progress in the eight years since the ABCs of Public Education was first implemented. Student achievement is the highest it has been in our state's history, achievement gaps are closing, teachers are better prepared, and legislative and citizen support remain strong. North Carolina, once a state that

trailed behind most states educationally, now draws the praise of the nation.

Our state leadership continues to keep education at the top of the state's policy agenda. The N.C. General Assembly and the Governor's Office have provided strong support for our schools. New funds were provided to reduce class sizes, assist low-wealth school districts, maintain the teacher salary schedule and ABCs incentive awards, better prepare preschoolers for kindergarten, and other important initiatives.

Over the past three years, North Carolina has tightened its fiscal belt and carefully scrutinized all expenditures. Schools have done what's right; they've studied the data and put resources where they're needed. The N.C. Department of Public Instruction staff, central office administrators, parents and the business community have helped to ensure students get the support they need. And teachers and administrators have done the heavy lifting that has led to the state's success. The results are clear, as you will see on the pages that follow.

The budget request on pages 48-49 contains funding priorities that will enable the state to meet the education needs of its most disadvantaged students as well as its students who are performing at and above grade level. The requests identify funding areas that are currently limiting schools from making desired progress, funding for focused research that will validate the improvement strategies recommended for schools, and key instructional funding for strategies that need to be

increased to better serve targeted student populations. Every item is important to assure continued progress. A few examples are:

- Placing full-time mentors in our schools will help us retain teachers who are leaving the teaching profession during their first three years in North Carolina's public schools. Funding the Professional Development Initiative will provide useful data to improve decisions, to establish a resource center for teachers, and to identify training that will help teachers address students' needs. These issues are explored on pages 29-33 of this report.
- Expanding the Learn and Earn program and high school restructuring, addressed on pages 37-39, will result in smaller, curriculum-targeted schools to help ensure student success, reduce dropouts, and promote economic development in communities.
- Addressing the needs of our increasing limited English proficient student population by increasing resources targeted to this population, discussed on pages 19-20, will help close the achievement gap and reduce dropouts.

These are just a few examples of the important funding priorities in addition to continued funding for the ABCs incentive awards and the need to increase the pay of our teachers, other school personnel, and our state employees.

There is no undertaking more fundamental in our democracy than education. When we lift the limits on disadvantaged school districts and schools and open the potential for all students, the possibilities are limitless. On behalf of the State Board, the Department of Public Instruction, and the many educators and citizens whose thoughts are reflected in these requests, we respectfully request careful consideration of this investment that will help us continue the positive momentum.

HOWARD N. LEE

Chairman, State Board of Education

A MESSAGE FROM SUPERINTENDENT WILLOUGHBY



North Carolina is leading the country in student achievement growth as students continue to perform above the national and Southeastern averages on national tests. In state comparisons over time, achievement is up for all students and performance gaps among different groups of students are narrowing. The percentage of

students performing at the proficient level, also considered grade level, is the highest in state history.

These positive results did not come overnight or without tremendous effort by students, teachers, administrators and parents. Focused efforts to help each student reach proficiency and beyond are paying off in improved student performance at every level. Schools are using data to identify specific areas where students need extra help. Low-performing schools and underachieving students are receiving more resources than ever before.

Much work lies ahead and setting challenging goals is only the first step. Historically, North Carolina and the nation have experienced an achievement gap among various populations of public school students. The achievement of minority and at-risk students continues to be an important issue at the local, state and national levels. As educators in North Carolina work to help close achievement gaps and to improve learning for every child, we are tackling very challenging goals. At no other time in our nation's history have we set an education goal as challenging as closing achievement gaps for all groups of students.

Answering the call will take the best efforts of school administrators, teachers, parents, students, communities, businesses/industries and colleges/universities. To improve learning for every child, we must address the issues of teacher recruitment and retention to make sure each student has a qualified, effective teacher. We must improve performance in low-wealth schools, so that each student, regardless of where he or she lives in North Carolina, has an equal opportunity for success in a public school. We must strengthen our high schools so that more students graduate and receive the preparation they need for the future. There are very encouraging strategies underway in schools and districts across this state, many of which you can read about in the pages that follow. The work must continue to maximize the academic potential of all students in North Carolina.

PATRICIA N. WILLOUGHBY

State Superintendent of Public Instruction

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State Board of Education



HOWARD N. LEE Chairman



PATRICIA N. WILLOUGHBY
State Superintendent



BEVERLY EAVES PERDUE
Lieutenant Governor



RICHARD H. MOORE State Treasurer



KATHY A. TAFT
1st Education District



MICHELLE HOWARD-VITAL
2nd Education District



EDGAR D. MURPHY III

3rd Education District



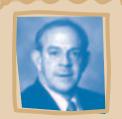
EVELYN B. MONROE 4th Education District



MARIA TERESA PALMER
5th Education District



JANE P. NORWOOD 6th Education District



ROBERT THOMAS SPEED
7th Education District



WAYNE MCDEVIT'T 8th Education District



JOHN A. TATE, III Member-at-Large



VACANTMember-at-Large

MEMBERS OF THE STATE BOARD OF EDUCATION | Member Profiles

Howard N. Lee | Chairman

State Board of Education

6302 Mail Service Center, Raleigh, NC 27699-6302 919.807.3391

Howard N. Lee was appointed to the State Board of Education by Gov. Michael F. Easley on May 15, 2003, to fill an unexpired term. He was unanimously elected Chairman of the Board by its members. Mr. Lee, the first African American to hold the post, is a former mayor of Chapel Hill and a former state senator. During his tenure in the Senate, he gained a reputation as an education advocate and led efforts to improve school safety, school accountability and teacher quality. Most notably, Mr. Lee shepherded legislation through the N.C. General Assembly that established the ABCs of Public Education and the Excellent Schools Act. He received his B.A. in Sociology from Fort Valley State College and a Master's degree in social work from the University of North Carolina at Chapel Hill. Chairman Lee is active on the Southern Regional Education Board and the Education Commission of the States. In addition to owning several businesses, Mr. Lee also is employed part-time with the James B. Hunt, Jr. Institute for Educational Leadership and Policy. His term on the Board expires March 31, 2005.

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Beverly Eaves Perdue | Lieutenant Governor

Hawkins-Hartness House

20401 Mail Service Center, Raleigh, NC 27699-0401 919.733.7350

Lt. Gov. Beverly Eaves Perdue, elected to the office in 2000, is an ex officio member of the Board. A former classroom teacher, she came into the second highest elected office in our state having served five terms in the North Carolina Senate and two terms in the North Carolina House of Representatives. In 1999 she received the North Carolina Association of Educator's President Award for her work on such innovative education measures as the Excellent Schools Act, the Safe Schools Act and Gov. James B. Hunt's Smart Start initiative for early childhood development. She also was the recipient of the North Carolina Community College's Faculty Association Legislator of the Year Award. Lt. Gov. Perdue holds a Ph.D. and master's degree from the University of Florida at Gainesville.

Richard H. Moore | State Treasurer

Albemarle Building

325 N. Salisbury Street, Raleigh, NC 27603-1385

919.508.5176

A former federal prosecutor, member of the N.C. General Assembly, and Secretary of the Department of Crime Control and Public Safety, as State Treasurer Richard Moore serves as an ex officio member of the Board. He serves as chairman of the N.C. Local Government Commission, the N.C. Tax Review Board, the State Banking Commission, and the Board of Trustees of the N.C. Retirement System and also serves on the N.C. Community College Board and the Council of State. A national leader in the fight to protect share holder rights in the wake of Wall Street corporate abuses, he has authored both the investment protection principles and the mutual fund protection principles adopted by many fund managers across the country. He has been active in increasing financial literacy by partnering with groups such as AARP, 4-H, and the N.C. Council on Economic Education to assist North Carolinians of all ages to gain knowledge necessary for smart financial decisions. He is an honors graduate of Wake Forest University and Wake Forest Law School, and holds a graduate degree in Accounting and Finance from the London School of Economics.

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Kathy A. Taft | 1st Education District

3024 Dartmouth Drive, Greenville, NC 27858-6745 252.355.7299

Kathy A. Taft, formerly appointed to the State Board of Education in April 1995 by Gov. James B. Hunt, Jr., was reappointed to serve a second eight-year term by Gov. Michael F. Easley on May 15, 2003. Ms. Taft attended North Carolina State University and East Carolina University (ECU), graduating cum laude from ECU with a B.S. degree in education. A long-time supporter of public education, a former vice chair of the Pitt County Board of Education, and a founding member of the Pitt County Communities in Schools Program, she has been actively involved in the State Board's work for the past eight years, representing the Board on its Compliance Commission for Accountability, the N.C. Charter School Advisory Committee, the N.C. Public School Forum, the Board's Ad Hoc Writing Committee, and the Textbook Reconsideration Committee. She is an active member of National Association of State Boards of Education (NASBE), chairs the Board's High Student Performance priority area, and served as chair of the Governmental Affairs Committee. She is a recent inductee into ECU's College of Education Educator Hall of Fame. Her term expires March 31, 2011.

Michelle Howard-Vital | 2nd Education District

Associate Vice President for Academic Affairs
Office of the President, The University of North Carolina
PO Box 2688, Chapel Hill, NC 27515-2688 919.962.4594

Michelle Howard-Vital was appointed to the Board by Gov. Michael F. Easley in 2001. She has been involved in education for the past 26 years. She earned a doctorate in public policy analysis with an emphasis in educational policy from the University of Illinois at Chicago. Additionally, she has a graduate and an undergraduate degree in teaching English literature and language from the University of Chicago. Dr. Howard-Vital has written numerous papers and articles on improving teaching and learning environments. She also co-authored a text on school leadership. In May 2000, she was recognized with the Distinguished Alumna Award from the University of Illinois School of Education for her work in teaching, administration and scholarship. She is currently the Associate Vice President for Academic Affairs at UNC-General Administration. Her term expires March 31, 2009.

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Edgar D. Murphy III | 3rd Education District Nortel Networks

PO Box 13010, D17/02/0F2, RTP, NC 27709-3010 919.997.3045

Edgar D. Murphy, III, was appointed to the Board by Gov. James B. Hunt, Jr., in 1999. He is currently manager of Community Relations for Nortel Networks, RTP, and is responsible for implementation of Nortel's strategic community relations program of which K-12 public education is a focus. He serves on the Durham Public Education Network Board of Directors; the N.C. Science, Mathematics, and Technology Education Center Board; and also serves as Chairman of the N.C. Citizens for Business and Industry's Education Committee. He is a member of the N.C. School Improvement Panel and serves as chairman of the NCSIP Executive Committee. Mr. Murphy earned his degree in industrial technology from N.C. A&T University in 1972. In addition to his current role, he has worked as a test engineer, a manufacturing supervisor, and a human resources director. Mr. Murphy's term expires March 31, 2007.



Evelyn B. Monroe | 4th Education District 525 Hardee Branch Road, West End, NC 28376-8961 910.295.5710

Evelyn Bruton Monroe was appointed by Gov. James B. Hunt, Jr., to the Board in August 1995 to fill an unexpired term. Ms. Monroe, a UNC-Greensboro graduate, taught math, science, and vocational home economics in North Carolina's public schools. For more than 14 years, she served in various volunteer capacities with Moore County Schools, as well as serving on the Moore County Recreation Commission, the Moore County Arts Council, the United Way of Moore County, and the Moore County Study Commission on Gifted and Talented. Her other professional affiliations include 17 years as trustee for the Sandhills Community College, and co-chairing the Parent's Council for UNC-Chapel Hill. Ms. Monroe chairs the Board's Strong Family, Community, and Business Support priority area. During her Board years, she has served on many subcommittees including the SBE Executive Committee, SBE Teacher Quality Advisory Committee, SBE Ad Hoc Reading Committee, N.C. Professional Development Study Committee, N.C. Center for Afterschool Programs, and Joint Governing Boards Liaison Committee. Other work includes serving on the Teacher of the Year Selection Committee, Evaluation Panel for the State's Institutions of Higher Education, Child Fatality Task Force, and chair of both the N.C. Healthy Schools Team and General Assembly's Education Oversight Task Force for At-Risk Children in danger of school failure and/or juvenile crime. Ms. Monroe has recently become a member of the N.C. Panel to Recommend Standards for All Foods Available in Schools. Her term on the SBE expires March 31, 2005.

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Maria Teresa Palmer | 5th Education District Principal, David D. Jones Elementary 502 South Street, Greensboro, NC 27406-2299 336.370.8230

Maria Teresa Palmer was appointed by Gov. James B. Hunt, Jr. in 1999 to fill an unexpired term on the Board. The Rev. Palmer is the founding pastor of Iglesia Unida De Cristo (United Church of Christ) in Orange County. Palmer is a graduate of Jacksonville State University in Alabama where she received a degree in education. She also attended the Southern Baptist Theological Seminary and the University of Louisville where she earned a master's in education. Dr. Palmer completed her doctoral degree in education at UNC-Chapel Hill. Her professional experience includes serving as a Spanish teacher, a multi-cultural counselor, and assistant director of the Center for Latin American Education at the University of Louisville. She has been actively involved as a parent representative and advocate for the Hispanic community. Dr. Palmer is currently principal of David D. Jones Elementary in Guilford County. Her term expires March 31, 2005.

Jane P. Norwood Vice-Chair, 6th Education District 7026 Ballentyne Court, Charlotte, NC 28210-4935 704.554.9894

Jane Parler Norwood was appointed to the Board by Gov. James G. Martin in September 1990 and reappointed in November 1992 to fill unexpired terms. She was reappointed in March 1995 and again in April 1999 by Gov. James B. Hunt, Jr. Dr. Norwood holds advanced degrees in Education/Psychological Services-Reading from the University of South Carolina and a bachelor's degree in Education from Coker College. She is a professor, Department of Curriculum and Instruction, at Appalachian State University. Her current job responsibilities include supervising student teachers enrolled in the ASU Teacher Education Program. Dr. Norwood's years of service to public education in North Carolina started in 1977 when she was appointed to Gov. Hunt's original Annual Testing Commission where she served three terms. In 1988 and again in 1990, Gov. Martin appointed her as a N.C. representative to the Southern Regional Education Board. She is a past president of both the N.C. College Professors of Reading and the N.C. Council of the International Reading Association. Currently, she is chair of the Board's Quality Teachers, Administrators, and Staff priority area; co-chair of the Educational Liaison Committee; and serves as a member of the N.C. Teaching Fellows Commission. Dr. Norwood's term expires on March 31, 2007.

Robert Thomas Speed 7th Education District PO Box 432, Boone, NC 28607-0432 828.264.1191

Robert Thomas Speed, an attorney from Boone, was appointed to the State Board of Education by Gov. Michael F. Easley on May 15, 2003. Mr. Speed received his B.A. in Business Administration and his M.A. in Economics and Business from Appalachian State University. He received his Juris Doctorate degree in 1982 from Campbell University's School of Law. Formerly from Franklin County and from a family involved in tobacco farming and cattle, he has extensive experience and knowledge in the technical and business aspects of agriculture. His current law practice is limited to criminal and civil trial practices. He is actively involved in ASU's athletic boosters club, is a member of the N.C. Fraternal Order of Police and the Winston-Salem Scottish Rite Bodies. His term expires in March 31, 2011.

Wayne McDevitt | 8th Education District Vice Chancellor, Adm. & Financial Affairs, UNC Asheville, 202 Phillips Hall, CPO #1420, Asheville, NC 28804-8503828.251.6742

Wayne McDevitt was appointed to the Board by Gov. Michael F. Easley in 2001. He currently serves as Senior Vice Chancellor at his alma mater, UNC-Asheville, where he graduated with distinction in political science and has been recognized with the university's Achievement Award, Distinguished Alumnus Award and the Chancellor's Medallion. Mr. McDevitt served as Chief of Staff for Gov. James B. Hunt, Jr. and on the state's Executive Cabinet as Secretary of the Department of Environment and Natural Resources. His extensive record in public service led the Asheville Citizen-Times to recognize him as "one of Western North Carolina's 50 most influential people of the 20th century." Mr. McDevitt's advocacy for education and children includes service on the boards of N.C. Partnership for Children/Smart Start, N.C. PTA, Baptist Children's Homes, and the boards of trustees of two universities. He has served as an interviewer for N.C. Teaching Fellows, president of the Marshall Elementary School PTA and as a school volunteer/mentor. He currently serves on the boards of Leadership North Carolina, Western North Carolina Tomorrow, Western North Carolina Communities, and the Cherokee Preservation Foundation. Mr. McDevitt currently serves as chair of the Board's Effective and Efficient Operations priority area. His term expires March 31, 2009.

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John Tate, III | Member-at-Large 1431 Biltmore Drive, Charlotte, NC 28207-2556

704.332.5538

Gov. Michael F. Easley appointed John Tate, a Charlotte native and businessman, to the SBE in February 2003 to fill an unexpired term and was reappointed in May 2003. Mr. Tate's education includes a bachelor's degree in History from UNC-Chapel Hill and a master's degree in Business Administration/ Finance from Georgia State University. Mr. Tate has made the banking industry his career field for the past 30 years, and his current assignment at Wachovia includes working with commercial clients. His community service includes serving on the Charlotte-Mecklenburg Board of Education from 1990-1997, as well as involvement with Communities in Schools, the YMCA, Success by Six, Habitat for Humanity, and UNC-CH School of Social Work Board of Advisors. His current term on the SBE expires March 31, 2011.

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Vacant | Member-at-Large

Patricia (Tricia) N. Willoughby | State Superintendent and Secretary to the State Board of Education 6301 Mail Service Center, Raleigh, NC, 27699-6301 919.807.3430

Tricia Willoughby is the State Superintendent of Public Instruction. She was appointed to this position by Gov. Michael F. Easley upon the retirement of Superintendent Mike Ward. She will serve from Sept. 1, 2004 until the new State Superintendent takes office in 2005.

Mrs. Willoughby's past experience as a classroom teacher and as a faculty member in the School of Education at Meredith College were two of the reasons Gov. Easley gave in selecting her for this position. She had served on the State Board of Education since July 2001.

Mrs. Willoughby attended public schools in North Carolina, graduated from UNC-Chapel Hill in 1973 and received a M. Ed. from Meredith College in 1990 specializing in reading instruction. Spending time in classrooms has been an important part of her continued professional development.

As a member of Phi Delta Kappa and the International Reading Association, she continues to value lifelong learning as an important goal for everyone. Mrs. Willoughby has been involved in many community volunteer projects including Motheread, PTA and church activities.

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TEACHER ADVISORS:



2004-2005 Teacher of the Year Lizbeth Alfaro | Catawba County Schools Lyle Creek Elementary 1845 Edgewater Drive, Conover, NC 28613 828.464.0299 Term: June 2004-June 2006



2003-2004 Teacher of the Year Allison Ormond | Rockingham County Schools Booker T. Washington Learning Center 401 Moss Street, Reidsville, NC 27320-3439 336.624.3209 Ext. 260 Term: June 2003-June 2005

PRINCIPAL ADVISOR:

2004 Wachovia Principal of the Year John Black | Hickory City Schools Longview Elementary School 2430 2nd Avenue SW, Hickory, NC 28602-2047

Term Expires: June 30, 2005

828.327.2070

SUPERINTENDENT ADVISOR:

Governor Appointee | 2004-05 NCASA Superintendent of the Year Edward D. Sadler, Jr. | Gaston County Schools

PO Box 1397, Gastonia, NC 28053-1397 704.866.6111
Term Expires: June 30, 2005

LOCAL BOARD OF EDUCATION ADVISOR:

Leonard E. Peace, Sr. | Granville County Board of Education **2003 NCSBA Raleigh Dingman Award Winner** 5511 Antioch Road, Oxford, NC 27565-9465 919.693.1458 Term Expires: Nov. 18, 2004

STUDENT ADVISORS:

Governor Appointees | Junior and Senior High School Students

Dimayquoaye Smith, Senior | Burns High School 307 E. Stagecoach Trail, Lawndale, NC 28090-9535 Term Expires: June 15, 2005

Sara McClure, Junior | Southeast Raleigh High School 2600 Rock Quarry Road, Raleigh, NC 27610-5102 Term Expires: June 15, 2006





NORTH CAROLINA'S PROGRESS IN EDUCATION

North Carolina's road to success in education has been carefully planned by state leaders and executed by dedicated administrators, teachers and students. That road to success is marked by a sound accountability system, a solid curriculum with an aligned testing program, an effective assistance program for schools and districts in need, use of data-driven decision making at all levels, stronger instructional leaders and higher expectations for all. Our schools are reaping the benefits of cumulative efforts and the state is receiving national recognition for its progress.

North Carolina began an aggressive effort of school improvement in 1996 with the ABCs of Public Education, the state's first school-based accountability model. The ABCs program differed from previous efforts by focusing accountability at the school rather than district level, providing incentive bonuses to educators in schools that excelled, and assigning assistance teams to the lowest performing schools. The ABCs program required reorganizing and refocusing public schools through high academic standards, teaching the basics, and maximum local control. The model focuses on schools meeting growth expectations for student achievement as well as on the overall percentage of students scoring at grade level or better. All schools serving grades K-8 began operating under the ABCs in 1996-97 and high schools began the following year.

Assessments determining schools' ABCs status include tests in reading and mathematics for grades 3-8, computer skills tests for grade 8 only, and high school end-of-course tests, which are: Algebra I, Algebra II, Biology, Chemistry, English I,

Geometry, Physical Science, and Physics for 2004-05. The N.C. Standard Course of Study defines the competencies and objectives students should master and ensures that no matter which of our state's 2,286 public schools (2,189 regular, 97 charter) students attend, they are provided the same curriculum as their peers.

In 1999, the State Board of Education approved Student Accountability Standards requiring that students demonstrate proficiency at the third, fifth and eighth grades in order to be promoted to the next grade level. The standards, also called gateways, ensure that students are working at grade level in reading, writing and mathematics before promotion. Also in 1999, the N.C. General Assembly appropriated funds to school systems specifically to help provide the resources needed to move all students to grade-level standards. More students are meeting the gateway requirements each year.

In 2000, the Advisory Commission on Raising Achievement and Closing Gaps began its work in helping the state find ways to close the achievement gap between groups of students and to challenge all students to reach higher standards. In 2003, the Commission held eight town hall meetings across the state to raise the awareness of achievement gaps between groups of students, to open dialogue on the issue, and to learn more about local efforts.

In 2001, legislation was passed to provide more assistance to continuously low-performing schools.

In addition to assistance teams for schools that fail to meet expected growth standards and have a majority of students performing below grade level, assistance can include: reduction in class size for grades K-3, additional instructional support positions, additional staff development days, and signing bonuses for mathematics, science and special education teachers.

In 2002-03, the ABCs program expanded to include provisions of the No Child Left Behind (NCLB) federal law. This meant reinstating the N.C. High School Comprehensive Reading and Mathematics Tests for Grade 10, taking another look at how graduation and dropout rates were determined, and changing the rules regarding how students and their test scores were counted.



In 2003-04, the LEA Assistance Program was piloted in six disadvantaged school districts with poor ABCs and Adequate Yearly Progress (AYP) results, representing the first time districts as a whole, rather than individual schools, were targeted for assistance. Identifying local school districts that are low performing and sending assistance teams to these school districts for evaluation and to make recommendations for improvement builds on one of the major strengths of the ABCs, that of offering assistance to low-performing schools. The LEA assistance program offers three levels of services to school districts depending on their performance according to AYP and ABCs measures. Teams work full time in the districts' central office and schools to improve student achievement and to build capacity for continuous improvement.

Also in 2003-04, North Carolina amended some NCLB provisions, similar to amendments made in most other states, and created a new ABCs recognition category incorporating AYP. (See chart on page 13.) The amendments included: use of a 95 percent confidence interval, similar to a margin of error applied to polling data, when determining AYP; changed criteria by which schools enter Title I School Improvement; testing exemptions for students with serious medical emergencies; procedures for the 1 percent cap for students with the most significant cognitive disabilities; assessment regulations for students with limited English proficiency; procedures for targeted assistance schools; and changed student participation rate calculations. The U.S. Department of Education approved the use of end-of-course tests in Algebra I, Biology, English I and Grade 10 writing to determine AYP at the high school level beginning in 2004-05, replacing use of the N.C. High School Comprehensive Reading and Mathematics Tests for Grade 10.

SCHOOL STATUS LABELS FOR 2003-04				
PERFORMANCE LEVEL	ACADEMIC GROWTH			
Based on Percent of Students' Scores at or Above Achievement Level III	Schools Making Expected Growth or High Growth		Schools Making Less than Expected Growth	
90% to 100%	Met AYP	Honor School of Excellence	No Recognition	
	AYP Not Met	School of Excellence		
80% to 89%	School of Distinction		No Necognition	
60% to 79%	School of Progress			
50 to 59%	Priority School			
Less than 50%	Priority School		Low Performing*	
* The term "low performing" applies to a school that does not meet the expected growth standard and less than 50 percent of its students are				

^{*} The term "low performing" applies to a school that does not meet the expected growth standard and less than 50 percent of its students are performing at or above Achievement Level III.

NCLB's impact also was felt in sanctions for Title I schools not making AYP in the same content area (reading or mathematics) for two or more years in a row. In 2004-05, 138 Title I traditional schools and 22 Title I charter schools in North Carolina had to offer parents the option for their children to attend another public school, offer supplemental educational services to eligible students and/or undertake corrective action, based on 2003-04 student achievement. Although an additional 346 schools missed making AYP in the same content area for two or more years, they did not come under sanctions because they were not Title I schools. These schools must amend their school improvement plans.

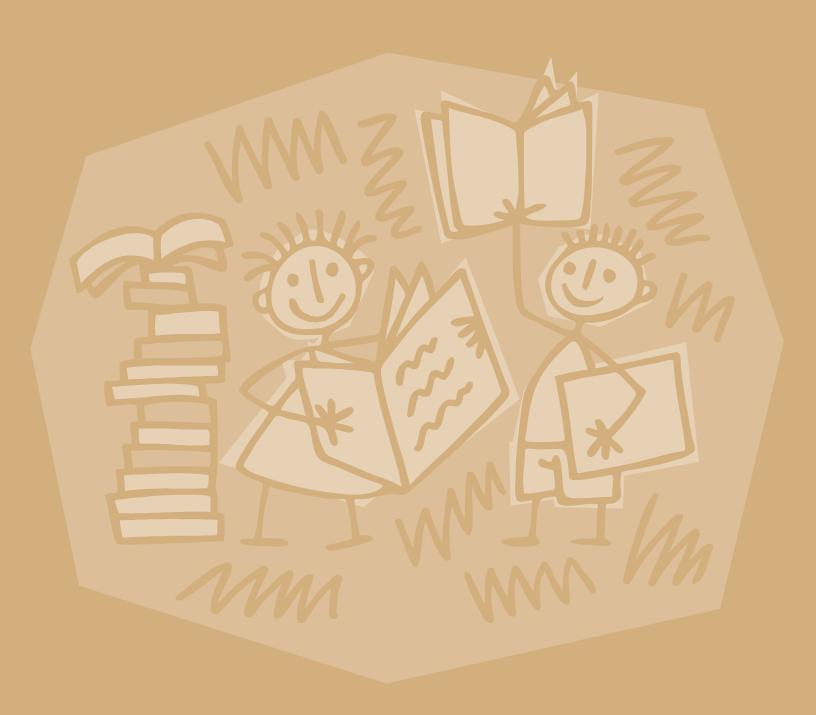
In October 2004, the State Board of Education approved a new High School Exit Standards framework that includes satisfactory student performance on five end-of-course tests (Algebra I, Biology, English I, Civics and Economics and U.S. History) and a senior project (scored and monitored locally using statewide rubrics and standards). The first students affected will be entering ninth graders in 2006-07. The standards' framework is part of an initiative to make each student's high school experience meaningful and challenging. An implementation method for the high school exit standards will be proposed for the

Board's consideration following a series of six public input sessions to be held across the state in January 2005.

Also in 2004, the first Occupational Course of Study students graduated. Designed for certain students with disabilities who have an Individualized Education Program, the Occupational Course of Study program enrolled approximately 1,700 of the 8,000 seniors with disabilities in 2003-04. The other courses of study are: Career Preparation, College Technical Preparation, and College/University Preparation.

North Carolina plans to reach the ambitious goal of every public school student achieving at proficiency or better by continuing progress in each of the five strategic priorities defined in "The ABCs Plus: North Carolina's Strategic Plan for Excellent Schools," adopted by the State Board of Education in April 1996. As outlined in the plan, efforts will continue to focus on:

- high student performance;
- healthy students in safe, orderly and caring schools;
- quality teachers, administrators and staff;
- + strong family, community and business support; and
- effective and efficient operations.



STRATEGIC PRIORITY 1

HIGH STUDENT PERFORMANCE

[STRATEGIC GOALS]

- 1.1 Every child ready to learn.
- 1.2 Rigorous and relevant academic standards and assessment systems for every student.
- 1.3 Every student masters essential knowledge and skills.
- 1.4 Every student graduates from high school.
- 1.5 Every student a life long learner and ready for work.

STRATEGIC PRIORITY 1 | Focus on High Student Performance

North Carolina has seen steady improvements in student achievement over the past eight years that add up to a tremendous gain. National Assessment of Educational Progress (NAEP), also known as the "Nation's Report Card," and SAT scores are external evidence of the state's gains. ABCs and Adequate Yearly Progress (AYP) improvements provide evidence of improvement using state assessments. Closing achievement gaps between different groups of students and producing more high school graduates are areas of challenge.

In 2003, North Carolina fourth and eighth graders posted NAEP scores in reading and mathematics that were better than or equal to national averages.

No other state scored significantly higher than North Carolina's fourth grade students in mathematics in 2003. North Carolina fourth and eighth graders were among the top performers on the NAEP 2002 writing assessment, scoring above the Southeast and national averages. NAEP assesses a sample of students in each state in grades 4 and 8 every two years in reading and mathematics and provides



the best data for comparing the performance of students in North Carolina to that of their peers across the nation. NAEP's standard for proficiency can be described as similar to the "Olympics." This type of proficiency cannot be compared to

North Carolina's proficient standard, which refers to the level of skill and knowledge needed for minimum preparation to succeed at the next grade level.

NAEP M	ATHEMATICS SCORES	1996	2003
Grade 4	North Carolina	224	242
	Southeast	216	233
	Nation	222	234
Grade 8	North Carolina	268	281
	Southeast	264	274
	Nation	271	276

NAEP R	EADING SCORES	1996	2003
Grade 4	North Carolina	217	221
	Southeast	210	215
	Nation	215	216
Grade 8	North Carolina	264	262
	Southeast	258	259
	Nation	261	261

North Carolina's 2004 average total SAT score increased by five points to 1,006, and the state's growth continued to outpace national growth. The SAT is the college entrance exam most often taken. The 20-point gap between the state and the nation's total SAT score is the smallest gap ever. In 1972, North Carolina students

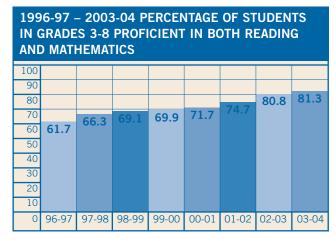
trailed the nation by 83 points. North Carolina has improved its score by 42 points over the past 10 years, the highest 10-year gain of any of the SAT states. There are 23 SAT states, states that have 50 percent or more of their students taking the college admissions test. Score increases were largely the result of gains by black and Hispanic students. North Carolina's score continued to improve in 2004 even as the number of test takers increased by 2.4 percent from the previous year. With 70 percent of high school seniors taking the SAT, North Carolina has the 13th highest SAT participation rate in the nation. Generally, among states, the higher the percentage of students taking the SAT, the lower the score.

AVERAGE SAT TOTALS	1996	2004
North Carolina	976	1006
Southeast	983	1001
Nation	1013	1026

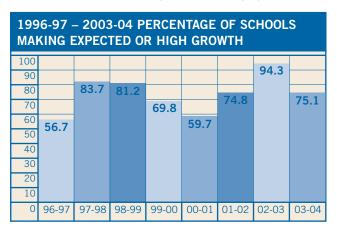
For 2003-04, North Carolina posted a 9.2 percent increase in the number of public school students taking Advanced Placement (AP) exams and a 9.3 percent increase in the number of 3, 4 or 5 level scores. AP courses are college-level courses offered in high schools. Students who take the AP exams and earn a score of 3 or above on the exams' 5-level scoring system may qualify for college credit at participating colleges and universities. A total of 30,053 North Carolina public school students took 54,155 AP exams in 2004. The number of exam scores that were 3 or better was 29,634. In 2003, 27,699 North Carolina public school students took 49,287 exams. The number of scores that were 3 or better was 27,557.

In 2003-04, more students than ever before scored at the proficient level or better in ABCs testing. The percentage of students performing at or above the proficient level, also called grade level, on both the reading and mathematics tests across grades 3-8 was 81.3 percent for the state as a whole. In 1996-97, 61.7 percent were proficient.

Students in grades 9-12 performing at or above grade level on end-of-course tests was 74 percent for 2003-04, up from 59.8 percent in 1997-98, the first year high schools participated in the ABCs program. Also, 75 percent of students were proficient on the three 'core' end-of-course tests (English I, Algebra I, and Biology) for 2003-04 compared with 60.5 percent of students proficient on the same three end-of-course tests in 1997-98.



In 2003-04, 75.1 percent of all schools met or exceeded academic growth expectations and only two schools were identified as low performing with fewer than 50 percent of their students' test scores at the proficient level or above and not making expected or high growth.



In 2003-04, 70.8 percent of North Carolina's public schools met AYP goals, as compared to 47.2 percent in 2002-03, the first year AYP results were calculated for all North Carolina public schools. Even without the confidence interval applied for 2003-04 calculations, 56 percent of North Carolina's schools would have made AYP in 2003-04. No Child Left Behind (NCLB) requires that schools meet specific performance targets each year for every group of students. Each state is expected to meet a 100 percent proficiency standard in reading and mathematics by 2013-14. In 2004-05, target goals of expected student proficiency increase.

AYP PERFOR	MANCE TARGETS	2003-04	2004-05
Grade 3-8	Reading	68.9%	76.7%
Expected	Mathematics	74.6%	81%
Proficiency %			
Grade 10	Reading	52%	64%*
Expected	Mathematics	54.9%	66.2%*
Proficiency %			
* Will change based on U.S. Department of Education's approval to use end-of-course tests starting in 2004-05.			

Schools must meet every AYP target for every group of students in order for the school to make AYP. Student groups are: 1) the School as a Whole; 2) White; 3) Black; 4) Hispanic; 5) Native American; 6) Asian; 7) Multiracial; 8) Economically Disadvantaged Students; 9) Limited English Proficient Students; and 10) Students With Disabilities. (A minimum of 40 students across all tested grades, grades 3-8 or 10, in a school comprise a group.)

Each school has varying numbers of target goals, depending on how many groups of students it has. Most student groups represent four target goals: the target goals of testing at least 95 percent of the students in reading and in mathematics and the target goals of 76.7 percent of the students demonstrating proficiency in reading (for 2004-05 in grades 3-8) and 81 percent of the students demonstrating proficiency in mathematics (for 2004-05 in grades 3-8).

AYP results differ from ABCs results. AYP considers groups of students in addition to the school's overall performance and student performance is measured against a set target goal without comparing the growth of the same students over time. At the high school level, students are assessed using different tests. If even one student group in one subject does not meet the target goal, the school does not make AYP for that year. Some of the state's most at-risk students are represented in several student groups. This is the law's intention and represents a challenge to each state. Making AYP state comparisons is difficult because states use different tests, different cut scores to define proficiency, different numbers to define groups of students, and may or may not use confidence intervals with narrow or wide margins of error. In fact, not all states are currently testing students in each of the 3-8 grades.

2002-03 – 2003-04 AYP TARGETS & STUDENT GROUPS			
GROUP	NUMBER OF TARGETS	% MET IN 2003-04	% MET IN 2002-03
Statewide	37,087	96.2	90.5
School as a Whole	10,836	97.6	94.6
American Indian	210	96.2	92.6
Asian	240	100	98
Black	5,387	95.7	88.5
Hispanic	1,210	96.6	82.6
White	7,278	99.9	99.3
Free and Reduced Price Lunch	7,663	96.7	89.5
Limited English Proficient	581	94.3	72.5
Students With Disabilities	3,659	83.5	69.9

The reduction in achievement gaps between different groups of students is an important indicator of success for North Carolina schools. In 2003-04, the gap between black and white students in grades 3-8 scoring proficient in both reading and mathematics narrowed to 21.5 percentage points, down from 34.3 percentage points in 1996-97. In 1996-97, only 38.4 percent of black students in grades 3-8 were at or above grade level in both reading and mathematics. In 2003-04, 67.7 percent of black students were at or above grade level, almost a 30-percentage point gain.

Similarly, for Hispanic students in grades 3-8, 71.7 percent performed at or above grade level in both reading and mathematics in 2003-04, up from 48.7 percent in 1996-97, a 23 percentage point gain. For American Indian students, 73.6 percent performed at or above grade level in both reading and mathematics in 2003-04, up from 42.9 percent in 1996-97, a 30.7 percentage point gain.

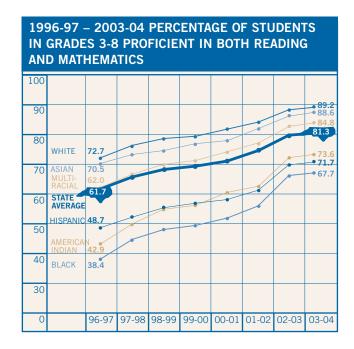
Meanwhile, almost 90 percent (89.2) of white students in grades 3-8 scored at or above grade level or proficient in both reading and mathematics in 2003-04. This is up 16.5 percentage points from 72.7 percent in 1996-97.

Reporting data according to NCLB regulations led to further identification and focus on two other student groups achieving below proficiency in greater numbers than average – students with disabilities and limited English proficient students.

In 2003-04, many students with disabilities fell short of the target goals. However, students with disabilities are making tremendous gains in reading and mathematics performance across the state. In 1996-97, only 29.9 percent of students with disabilities tested as proficient in 3-8 end-of-grade reading tests; in 2003-04, 58.8 percent tested as proficient. In 1996-97, only 38.5 percent of students with disabilities tested as proficient in 3-8 end-of-grade mathematics tests; in 2003-04, 69.6 percent tested as

proficient. About 190,000 of the state's 1.3 million students, or 14.5 percent, are students with disabilities, representing wide-ranging abilities and needs. These student groups, in order of prevalence, are: specific learning disabled, speech-language impaired, behaviorally-emotionally disabled, other health impaired, developmentally delayed (ages 3-7), educable mentally disabled, autistic, trainable mentally disabled, hearing impaired, multihandicapped, orthopedically impaired, visually impaired, severely/profoundly mentally disabled, traumatic brain injured, and deaf/blind.

Limited English proficient students are making great academic strides as well. In 1997-98, only 29.3 percent of limited English proficient students tested as proficient in 3-8 end-of-grade reading tests; in 2003-04, 62 percent tested as proficient. In 1997-98, only 45.9 percent of limited English proficient students tested as proficient in 3-8 end-of-grade mathematics tests; in 2003-04, 80.2 tested as proficient. About 5 percent of the state's student population is



identified as limited English proficient. In 2002-03, 54,428 of the 69,522 limited English proficient students spoke Spanish. All but three school districts in North Carolina had limited English proficient students that year. In North Carolina, a limited English proficient student is defined as any student whose primary language is not English and who is insufficiently proficient in English to receive instruction exclusively from regular education programs and function on an academic par with his/her peers. In addition, the student must score below superior in a least one domain on the state designated English language proficiency test. The state designated test assesses three domains oral, reading and writing. Demonstrating improvements in academic achievement made by the limited English proficient student group can be challenging because limited English proficient students exit that designation once they attain English language proficiency.

School completion and graduation are fundamental measures of a state's effectiveness in education. According to 2002-03 dropout data, the annual dropout rate for students in grades 9-12 was 4.78 percent. The annual dropout rate accounts for the students who leave school in a specific year's time. This is different from graduation statistics derived from following one group of ninth graders throughout all four years of high school to determine how many of them graduated. The current estimate of North Carolina's four-year graduation rate is 63 percent as reported in the DPI 2004 Statistical Profile. The Department of Public Instruction is implementing a tracking system expected to yield data beginning in 2005-06 to more accurately portray how many students graduate.

SENIOR PROJECT LINKS "REAL WORLD" WITH ACADEMICS

E.A. Laney High in Wilmington (New Hanover County Schools) became the first certified senior project school in the nation in 2004. Laney High's senior project program is certified by the SERVE Center for Continuous Improvement at UNC-G, a federally-funded educational research laboratory, which has developed standards for senior project programs' comprehensiveness, quality and rigor. For the past several years, the district has required senior projects in each of its high schools and the other three high schools are applying for certification. About one-third of the state's high schools have some sort of senior project.

The certified senior project program consists of four components: a research paper addressing a topic that represents "a stretch" for the student; a project or product that grows out of the research paper topic; a portfolio, which visually tracks the development of a project or product; and a presentation before a panel of judges including faculty and community members. The project incorporates use of a community mentor and a faculty advisor.

This blend of real world application with traditional learning leads to senior projects that usually are not literary-based. Some senior projects have entailed building a kayak, flying an airplane, creating an animated cartoon, planning a garden for people with arthritis, writing a children's book, creating stained glass works, educating about eye diseases, training to be a firefighter, learning to scuba dive, training to be an emergency medical technician, parachuting, and

organizing a blood drive. A research paper on "The History of Blood Typing and Transfusions," might link to working with the Red Cross to host a blood drive at school.

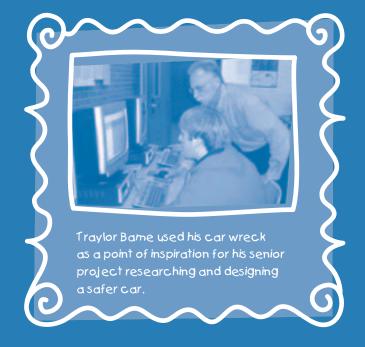
"I taught it for several years and it's exciting to see students facilitating their own education, going out and becoming lifelong learners, learning how to network, how to problem-solve. Reluctantly they come and euphorically they leave," says Carole Sutton, a former teacher who helps to facilitate senior project for the district. "It's the most exciting thing I've ever done as a teacher." Not everyone has always been as enthusiastic about senior project. Changing parents' and students' view of the senior year as a year for early release to a year of rigor took "a lot of community nurturing," Sutton says.

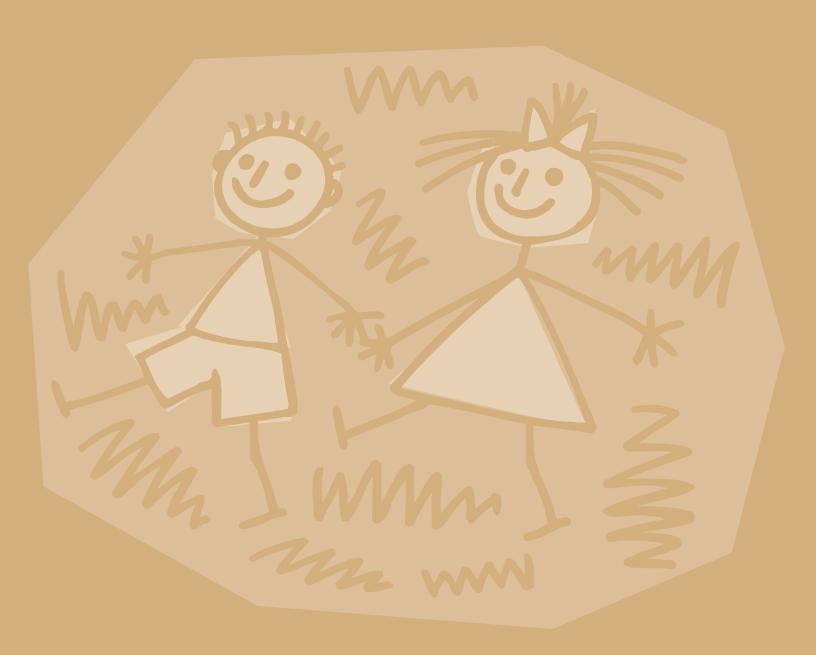
"I've come around 180 degrees in my support of it," says Rob Zapple, a parent whose son was part of the first senior project group at Hoggard High, in Wilmington, three years ago and whose daughter is a senior this year. The outline of deadlines for each of the program's components can look ominous. "When you see it, you think, 'What's going to happen to our family life?," Zapple says. But family life can be integrated into the project as well. His daughter, Zoey, is using her training as a gymnast to work with a Down's Syndrome child in improving his motor skills. In addition, Zoey is writing a paper on the American Disabilities Act of 1990 and its effect on disabled people, public access and recreational opportunity.

"Senior projects insist that students be active learners," says Suzanne Micallef, who has taught senior projects at Hoggard High for four years. "Up until now, they're kind of passive. It's a joy to watch the students come alive. They gain a lot more confidence." Zoey Zapple and Traylor Bame are two students she's enjoyed seeing grow as a result of the project.

Traylor is a hard-working, quiet student whose 1987 BMW hydroplaned and was totaled last summer. His senior project is researching the car's brakes, bumpers and tires and designing a safer car. His PowerPoint on auto safety will be used in future driver's education classes at Hoggard.

"It's not something I could find in a book," Traylor says. To research the project, he's learned to interact with adults and use resources – from the Internet, insurance companies, car manufacturers, an engineering professor, and motor sports camp at N.C. State University last summer. Traylor balances senior project work with taking AP physics, AP calculus, and advanced publications (yearbook). "It's been quite a stretch," says Diane Bame of her son's senior project experience. "But he will be much more prepared for college."





STRATEGIC PRIORITY 2

HEALTHY STUDENTS IN SAFE, ORDERLY AND CARING SCHOOLS

[STRATEGIC GOALS]

- 2.1 Learning environments inviting and supportive of high student performance.
- 2.2 Schools free of controlled and illegal substances and all harmful behavior.
- 2.3 Mutual respect of students, teachers, administrators and parents.
- 2.4 Adequate, safe education facilities that support high student performance.

STRATEGIC PRIORITY 2 | Focus on Healthy Students in Safe, Orderly and Caring Schools

In healthy schools, children are more alert, more focused on learning, and miss less school. Reflecting the conviction that health issues are critical to academic success, the State Board of Education voted to add the word "Healthy" to this strategic priority's name in 2004. Through this priority, the Board and the Department of Public Instruction intend to champion ways that educators and families can partner to help youngsters develop healthy lifestyles.

By 2006-07, each school district must fully implement the Healthy Active Children policy through School Health Advisory Council action plans addressing eight key health components: safe environment; physical education; health education; staff wellness; health services; mental and social health; nutrition services; and parental/family involvement. School districts must also ensure that students have a healthy amount of recess and physical activity. The State Board encourages local districts to consider the benefits of elementary students having 150 minutes of physical activity per week and of middle school students having 225 minutes per week. The policy further protects students by stating that recess may not be withheld from a student as a form of punishment. Research shows school-based physical activity programs increase concentration, improve test scores and reduce disruptive behavior.

Research also shows that child nutrition affects student achievement. Elementary school students will begin seeing healthier food choices in eight school districts beginning January 2005. The Healthful School Food Choices Pilot Program reimburses pilot districts if food service revenues decrease because students opted not to purchase the healthful, nutritious food choices. Pilot districts are: Person, Buncombe, Cumberland, Henderson, Hoke, Pitt, Stanly, and Stokes counties.

North Carolina is one of three states chosen for the U.S. Department of Agriculture's Fruit and Vegetable Pilot Program. The state will receive \$5 million over the next five years to allow 25 limited-resource schools to increase fruit and vegetable consumption. The healthy foods will be available to all students in participating schools in a variety of school locations throughout the academic day. The program is designed to combat the state's epidemic of childhood overweight and the fact that nearly 75 percent of elementary school students are not eating the recommended five or more servings of fruits and vegetables each day. Five of the 25 schools will participate for the duration of the program. Data will be collected from those five schools to measure the effect of continuous availability of fruits and vegetables in schools on students' food choices.

New funds are supporting 65 school nurse positions over a two-year period and 80 permanent school nurse positions beginning 2004-05. Criteria for allotting funds to school districts was developed by the Department of Health and Human Services and the Department of Public Instruction in order to place nurses in areas of the greatest need, primarily based on the student-to-nurse ratio.

North Carolina public schools continue to be safe places for students and their families. Each public school is required to have a Safe Schools Plan which addresses how to prevent and/or intervene at early signs of disruption, crime and violence. The 2003-04 Annual Report on School Crime and Violence showed that far less than 1 percent of North Carolina students were involved in any reported act of school violence. Nearly one-half (46 percent) of all schools reported no acts of crime or violence. Another 40 percent of schools reported five or fewer acts. There were 9,800 reportable acts of crime and violence, a rate of 7.371 per 1,000 students statewide. In 2002-03, there were 8,548 reportable acts of crime and violence for a rate of 6.581 per 1,000 students.

This is the third year that 17 reportable acts were included in the report. In 2001-02, three additional offenses were included with the 14 that had been reported since the 1993 General Assembly approved the Safe Schools Act and required this annual report. The four most frequently occurring incidents accounted for 91 percent of all reported acts of violence or crime on public school grounds. These were: possession of controlled substance in violation of the law (3,848); possession of a weapon excluding firearms and powerful explosives (3,402); possession of an alcoholic beverage (841); and assault on school personnel not resulting in serious injury (834).

In 2004, the State Board of Education approved recommendations regarding suspended and expelled students after a year-long review of research and data associated with suspensions and expulsions, as well as input from various agency partners and stakeholders. Both long-term and short-term suspensions as well as expulsions continued to increase statewide in 2002-03 when compared to prior school years. The 287,810 suspensions (duplicated count) statewide in that school year totaled over one million instructional days for students and a significant loss of opportunity to meet educational goals. Approximately one of nine public school students in North Carolina was suspended at least once in 2002-03. Short-term suspensions increased 7 percent and, as in past years, males, black males, American Indian students, students in grades six through nine and students receiving special education services were among the groups most disproportionately represented. Expulsions increased from 256 in 2001-02 to 381 in 2002-03.



The state began tracking expulsions and suspensions in 1999-2000. Since then, the number of suspensions and expulsions has increased at a rate faster than the increase in school enrollment. School enrollment has increased by about 5 percent while long-term suspensions have increased almost 80 percent. Some explanations for increases are stricter policies, better enforcement of policies, and increased pressure for academic performance.

In 2004, the State Board of Education approved an anti-harassment, anti-bullying and anti-discrimination policy affirming that North Carolina public schools are to be safe, orderly and caring learning environments that are "free from harassment, bullying, and discrimination and [are] inclusive of all students." School districts must develop and maintain policies and procedures to prevent, intervene, investigate, document and report all acts of harassment or bullying no later than January 2005. In addition, the policy addresses the need for training of school personnel.

HEALTHY ROLE MODELS JOIN FITNESS TEAM

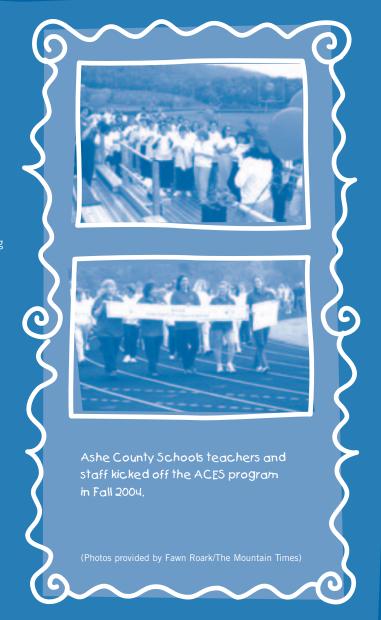
A healthier school staff is often seen as key in changing a culture to one that promotes students' physical wellbeing. The School Health Index, an assessment of the eight components of coordinated school health, showed employee wellness as the number one concern for Ashe County Schools. Brenda Walters, director of child nutrition and health education, led in organizing a new program, "Protecting Our Assets, Promoting and Preserving School Employee Wellness." Through grant and community support, the comprehensive staff wellness program offers extensive health screenings and appraisals, monthly health education and wellness events, a wellness newsletter subscription, a red shirt designating participating staff as ACES (Ashe County Exercises at School), and pedometers encouraging employees to take 10,000 steps (between four and six miles) a day.



After kicking off the program at each of Ashe County Schools' five campuses, 60 percent of the district's 550 full-time employees signed up. Participants work individually or in groups on goals such as "drastically reducing sugar intake" or "losing five pounds a month" and report to a wellness team coordinator who awards incentive prizes as goals are achieved. In May, additional screenings and appraisals will determine the program's effectiveness. Anticipating good results, a celebration is planned featuring a principal dressed as Elvis singing, "A little less conversation, a little more action please."

Student nutrition is a growing concern as childhood overweight rates increase. Walters says she is encouraging schools to choose low-fat milk, French fries twice a month instead of twice a week, and other changes promoted by nutrition fairs and healthy daily choices. The high school's college-style food court is designed to entice students into trying some of the 20 or more fruits and vegetables offered. A sweet potato sell-out last year indicates the culture may be changing.

Health care is another challenge that can be especially difficult to face in high poverty, remote areas. Through a series of grants, community collaborations and recent legislative support, each of Ashe County's five schools has a staff nurse. The school-based health center, housed in a modular unit on the middle school campus, operates as an urgent health care center by the local hospital in the evenings and on weekends.





STRATEGIC PRIORITY 3

QUALITY TEACHERS, ADMINISTRATORS AND STAFF

[STRATEGIC GOALS]

- 3.1 Professional preparation aligned with state priorities.
- 3.2 A system to develop, train and license a BK (birth to kindergarten) grade 12 professional staff for public schools.
- 3.3 A system to recruit, retain and compensate a diverse corps of quality teachers, administrators, and staff.
- 3.4 A system to ensure high performance of teachers, administrators and staff.
- 3.5 A system of continuous learning and professional development to support high performance of all employees.
- 3.6 High ethical and professional standards for all employees.

STRATEGIC PRIORITY 3 | Focus on Quality Teachers, Administrators and Staff

North Carolina, with over 85,000 teachers, has worked diligently for nearly a decade to make a difference in teacher quality. The state has raised standards for teachers entering the profession, improved compensation, and encouraged stronger support for beginning teachers and more rigorous professional development for all teachers. In July 2004, the N.C. Supreme Court affirmed an earlier court order to ensure that all students have a "competent, certified, well-trained teacher" under the state constitution's guarantee of an opportunity for a "sound basic education."

The State Board of Education convened three ad-hoc committees - the Teacher Recruitment and Retention Task Force, the Lateral Entry Committee and the Reciprocity Committee - to address teacher shortage issues. The Board's 2005 Budget request includes funding for recommendations of these committees. The committees' work centers on working conditions, leadership and differentiated roles, administrator support, enhancing the image of the profession, teacher induction, mentoring, financial incentives, professional development and parental/community support and involvement. The Office of the Governor, in conjunction with the N.C. Professional Teaching Standards Commission and NCAE, conducted the 2004 survey of Teacher Working Conditions. Results can be found at www.teacherworking **conditions.org/index.html.** These results underscore the importance of topics covered by the Board's committees.

North Carolina continues to be among the top tier states in the nation in efforts to improve teacher quality, according to Education Week's ninth annual 50-state report card, Quality Counts 2005: No Small Change, Targeting Money Toward Student Performance. North Carolina has more teachers certified by the National Board of Professional Teaching Standards than any state – 8,280 teachers or 21



percent of the nation's Board certified teachers and 9 percent of the state's teacher force. National Board certification is the highest credential in the teaching profession and is a voluntary assessment that takes between one and three years to complete. To become certified, teachers must demonstrate strong teaching practices and knowledge of content and methods. About half of the teachers who apply for certification receive it. In North Carolina, certified teachers receive a 12 percent salary increase for the life of the certificate, one of the best incentives offered by any state. North Carolina spent about \$38 million on national certification in 2003-04, with about \$32 million going to salary increases. North Carolina also pays the \$2,300 application fee for teachers seeking certification.

The ABCs program provides incentive awards to teachers, principals and other certified school-based staff, as well as teacher assistants. In schools that attain the high growth standard, certified staff members receive up to \$1,500 and teacher assistants receive up to \$500. In schools attaining expected growth, certified staff members receive up to \$750 and teacher assistants receive up to \$375. For 2003-04, teachers received \$102 million in bonus pay as a result of 75.1 percent of schools meeting or exceeding expected growth.

Competitive pay is essential to maintaining the quality of the state's educators. In 2003-04, the N.C. average teacher's salary was \$43,076 a year, compared to the U.S. average of \$45,930. Maintaining quality will be a challenge as expectations continue to climb under No Child Left Behind (NCLB) and the state's own accountability measures. Beginning in 2005-06, K-8 schools receiving Disadvantaged Student Supplemental Funding must ensure that students with personalized education plans (those who are below grade level) are taught by teachers who are fully certified and rated effective in their annual performance reviews.

Under NCLB, all public school teachers of core academic subjects must meet the "Highly Qualified" standards by June 30, 2006; and some before. "Highly Qualified" teachers, by federal definition, are: fully certified and/or licensed by the state; hold at least a bachelor's degree from a four-year institution; and demonstrate competence in each core academic subject area in which they teach. The law applies to teachers in core subject areas which include: English, reading, language arts, mathematics, science, foreign languages, civics and government, social studies, economics arts, history, geography, and kindergarten through sixth grade. According to 2003 data, 83 percent of North Carolina classes are taught by "Highly Qualified" teachers.

North Carolina needs to hire approximately 10,000 new teachers each year for the next 10 years to meet vacancies. The state's teacher education programs graduate about 3,000 teachers each year with only about 1,800 of them taking teaching positions in the state's public schools. The statewide turnover rate was 12.37 percent in 2003-04, a slight overall decline from previous years. Resignations to teach elsewhere and retirement accounted for slightly more than one-third of all turnovers. North Carolina's teacher turnover rate varies widely among districts from a low of 2.73 percent in Graham County to a high of 25.76 percent in Bertie County.

Professional development is key for new and veteran teachers and for sustained school

improvement. Twenty-nine percent of the state's teachers have fewer than three years of classroom experience. North Carolina's lateral entry teachers, college graduates from other careers, have increased by more than 34 percent since 2001, while the total number of public school teachers grew by less than 6 percent during the same period. Even as the academic calendar has eliminated five days for teachers to train and plan, the state must strengthen teachers' skills and improve classroom instruction as never before. The State Board of Education is in the process of considering recommendations generated by the 2004 Professional Development Initiative supported by the Z. Smith Reynolds Foundation for a system of delivery for quality professional development.



GOOD TEACHERS GETTING GOOD RESULTS

Teachers in high-performing schools across the state are taking different approaches to course and class structure, using a variety of teaching strategies, and engaging in professional growth opportunities. Schools are finding that the approaches and strategies used to move student achievement to a certain level, can't always be solely relied upon to further propel the school.

Cynthia McCormic, principal of John R. Griffin Middle School in Fayetteville, a School of Excellence and one of 10 middle schools in the state named "Schools to Watch," leads her staff in focusing on student achievement data. "We feel like the only way we're going to continue to improve is to look at individual students," McCormic says. School of Excellence is a designation earned when at least 90 percent of students passed state exams while also meeting the expectations for academic growth.

In 2003-04, the school made 23 out of 25 target goals, missing Adequate Yearly Progress (AYP) target goals for students with disabilities in reading and mathematics. Last January, after extensive research by the school's teachers, the school piloted an eighth grade project in which students with disabilities were taught in the regular classroom with support from special educators using cooperative teaching. "We saw great results and are moving the program to the seventh grade this year and, hopefully, to the sixth grade next year. We believe it will assist us and our children for AYP," McCormic says. The school surveyed students, teachers and parents in making the inclusion decision. "Teachers have to give up their

autonomy to do this, but it's so exciting. The seventh grade team is made up of teachers who volunteered to be a part of this."

Teamwork is integral to the success at Lockhart Elementary in Wake County, a Distinguished Title I School and a School of Excellence. Principal Martha Martin thinks the collaboration and coordination among staff specialists, regular classroom teachers and parents led to the schools' meeting all its AYP targets and posting a performance composite of 96.9 for 2003-04. Assessment data drives instruction, staff development, and support program decisions in the school where 20 percent of the students are English language learners and 21 percent receive exceptional children's services. Reaggregating test data is key for 2004-05 as 600 of the 840 students are new to the school through reassignment.

Successful middle and high schools across the state are teaching their students to evaluate their own test data. Clayton High School, with a 2003-04 student performance composite of 89.4, offers an intense remediation program for its students who are not seeing the results they want. "It's not unusual to have 300 kids here at six o'clock in the morning," Principal Jerry Smith says. Teachers are available daily from 2:45 to 3:45 p.m. for students needing to make up work due to absences, students wanting to retake a test, or students needing extra help.

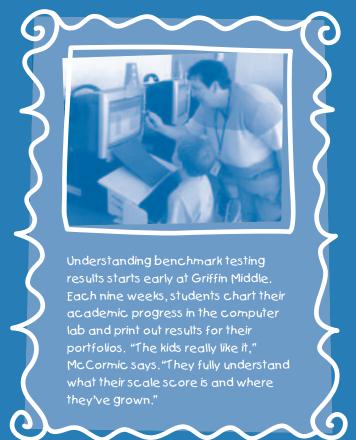
The need to strengthen teachers' skills and improve classroom instruction has never been greater. More closely aligning professional development activities with students' learning needs is key. Griffin Middle School met expected growth, but not high growth expectations for 2003-04. Test scores exceed expectations by at least 10 percent in high-growth schools. Although there was a 2003-04 middle school performance drop statewide, Griffin Middle

is not depending on excuses. "It's our Level IVs who aren't growing the way we want to see," McCormic says. As a result, starting in January 2005, Griffin Middle teachers will focus training on strategies for students of varying abilities and multiple intelligences.

Peer evaluation is another component that encourages improved teaching practices. Almost half of the Clayton High faculty participates in a peer coaching and evaluation partnership program. Teachers are trained in the process and participation is voluntary. "Teachers are so busy, anything we can do to support a reflection model is helpful," says Clayton High Assistant Principal Amelia McLeod. "For veteran teachers, it's an invaluable tool to have someone observe and dialog with you about your work."

McLeod was a middle school teacher participant when the peer evaluation program was being piloted. At the time, she was having difficulty with her third period class and asked her peer reviewer to look specifically at how she was giving directions and interacting with the students. "It was so simple," McLeod says. "She was able to show me all the information I was giving my first two classes, but dropping for the third period. It was a matter of simple processes and procedures that I did in the morning and forgot in the afternoon. When you're in it, it's hard to see."

Teachers at Clayton High are trained to understand different kinds of intelligences and learning styles, information that they then pass on to their students. "Most of our students can tell you how they best learn," McLeod says. "It gives the teachers and students a common language. It really has the students be responsible for their learning. Because at the end of the day who should go home tired? Not just the teacher, the student."





STRATEGIC PRIORITY 4

STRONG FAMILY, COMMUNITY AND BUSINESS SUPPORT

[STRATEGIC GOALS]

- 4.1 State education priorities responsive to the needs of the family, community and business customers.
- 4.2 A comprehensive and aligned system of support for the academic success and general well-being of all children that promotes:
 - Meaningful involvement in schools;
 - + Interagency collaboration for health, nutrition, and social services; and
 - + State and local partnerships.
- 4.3 A system to build the capacity of local districts to create, respond to, and sustain meaningful partnerships.

STRATEGIC PRIORITY 4 | Focus on Strong Family, Community and Business Support

North Carolina schools continued their development of family, community and business partnerships in 2002-04. More than one-half of all North Carolinians (58 percent) say their schools deserve either an A or B grade, according to a Fall 2003 poll by the University of North Carolina at Chapel Hill Journalism School. Responses for 2003 represent a major increase since 1997, when less than half of the respondents graded their schools that high.

Communication is key in developing relationships. More information than ever before is available about the state's public schools. According to a Princeton Review report, Testing the Testers 2003: An Annual Ranking of State Accountability Systems, North Carolina rates among the top states for the quality of information it provides to families about student performance. Four primary information tools are: the National Assessment of Educational Progress state comparisons;



the ABCs program's annual report of progress; the Adequate Yearly Progress report required by No Child Left Behind; and the N.C. School Report Cards, providing detailed information about school, district and state measures of academic achievement, teacher quality, school safety and other important measures of overall education quality since 2003.

Another communications initiative, www.teach4nc.com, was launched in 2003 to recruit quality teachers to North Carolina's public schools. The Web site provides information about how to join the state's teaching profession through traditional and alternative routes. The project represents a half million dollar collaboration between the N.C. Business Committee for Education and the Department of Public Instruction.

In another effort, the Department of Public Instruction is working with the National Center for Special Education Personnel and Related Service Providers to promote careers in special education in North Carolina.



Perhaps nothing demonstrates the interrelated involvement of business supporting education more than the New Schools Project, which was launched with an \$11 million grant from the Bill & Melinda Gates Foundation secured by the Governor's Office in 2003. New Schools is a \$30 million initiative to create more than 40 new and redesigned high schools across the state with funding from government, private businesses and other foundations. Smaller high schools have been credited with improving student achievement as measured by test scores and dropout rates. The initial school systems receiving grants were: Asheville City, Cumberland County, Durham County, Granville County, Newton-Conover City, Scotland County, Wake County and Winston-Salem/ Forsyth County. These districts are creating new high schools and schools within existing schools that have a focus on the health sciences developed in conjunction with regional health care and higher education partners.

In 2004, the "Learn and Earn" program was launched with \$2.2 million from the General Assembly. This phase of the New Schools Project focuses on early college high schools in partnerships with community colleges and public and private colleges and universities. In early college high schools, students can graduate in five years with an associate of arts degree or enough college credits to enter a four-year institution as a college junior. The program aims to reduce the high

school dropout rate, better prepare students for college,

and attract more students to higher education.

Buncombe, Catawba, Durham, Guilford and Nash County school systems are developing early college high schools. Anson, Chatham, Cumberland, Davidson, Edgecombe, Iredell, New Hanover, Robeson, Rutherford and Sampson County school systems will open new college high schools in 2005-06.

HIGH SCHOOLS GET PERSONAL

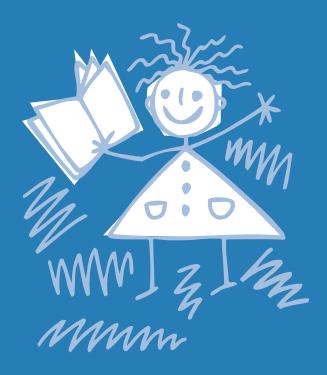
Newer high school models deliver a rigorous curriculum in a personalized setting designed to engage young people. This model differs from the high school concept of 50 years ago, which resulted in about one-third of the students preparing for the professions, one-third for the trades, and one-third dropping out nationwide. "How much harder can teachers work when the model itself is creating the greatest barrier?," says Tony Habit, executive director of the New Schools Project.



The New Schools Project aims to create a diverse set of small schools that engage young people in personalized high schools where supportive and nurturing environments are coupled with a demand for rigorous, high quality work. Relationships among students and teachers

develop beginning in ninth grade that support students and help them deal with challenges.

Durham Public Schools opened the Josephine Dobbs Clement Early College High School in Fall 2004 on the campus of N.C. Central University with a diverse group of 86 ninth graders, five teachers, one clerical worker, one guidance counselor, one administrative intern and principal Dr. Nicholas King. The early college high school, intended for students who face numerous obstacles to higher education, allows students to earn an honors-level



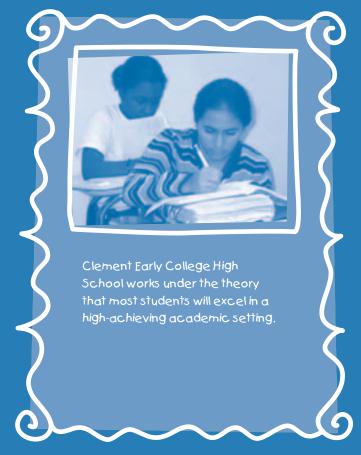
high school degree while simultaneously completing the first two years of college. Students complete honors-level courses in 18-week blocks and begin taking college-level courses as 10th graders. The school encourages its students to finish high school and enter college, which can be a challenge for many low-income and minority students, English language learners, and first-generation college students. Open to all Durham students, the school will add a grade level each year, eventually building a student body of 400 students in grades 9-12.

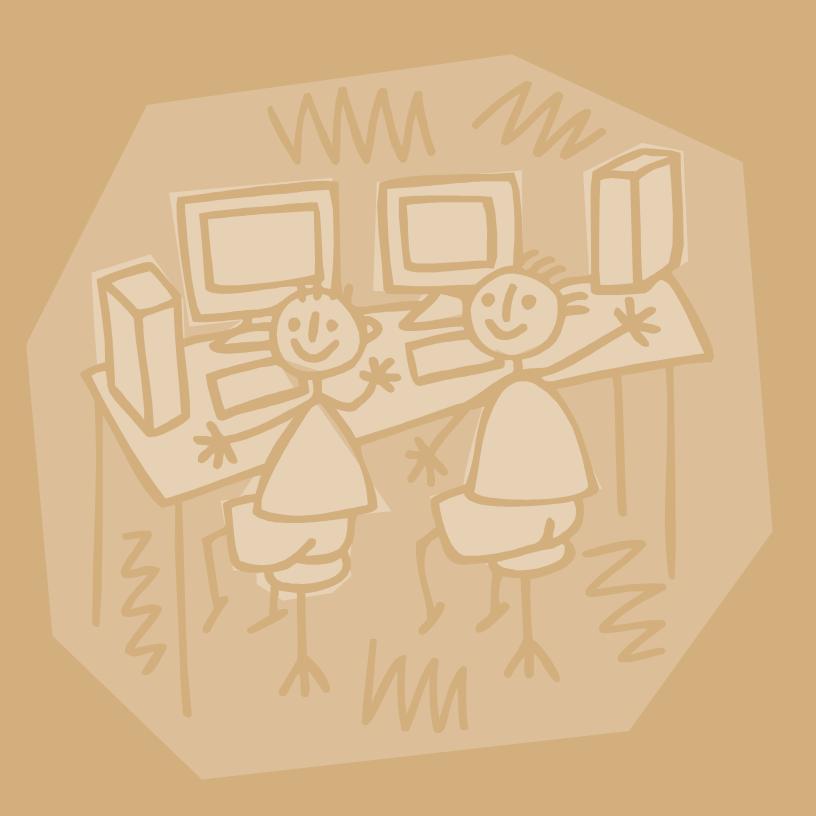
Another personalized high school concept is "schools within a school." Smaller, autonomous settings are organized around central academic themes after dividing

the original large, comprehensive high school. Teachers, administrators, business partners and college faculty in Scotland County are working to restructure Scotland High, a school of 1,800 students, into nine smaller, semi-autonomous academies. Partnerships with Richmond Community College, St. Andrews Presbyterian College, the University of North Carolina at Pembroke, Sandhills Community College, Scotland Health Care, and Pilkington and Butler Manufacturing will allow students to earn college credit while receiving focused career preparation. Phase One of Scotland High's conversion in 2005-06 will feature the opening of the Health and Science Academy and the Engineering and Skilled Trades Academy.

"We've bought into the idea of having the community be a part of our school and the community, in turn, has responded overwhelmingly," says Shirley Prince, superintendent, Scotland County Schools. Six advisory boards made up of business, community and teacher representatives have been working together to establish the academies, some for as many as four years. The schools will provide student learning experiences such as job shadowing, field trips, internships, apprenticeships or practicums. Each academy will have a guidance counselor and each student will be assigned an adult advocate who will function as the main liaison/advocate/advisor for the student throughout his or her school experience.

"Scotland High has been a traditional school that has been successful with students who traditionally remain in school and go on to college," says Prince. "But we must keep all of our students in school and have a much greater number completing two- and four-year degrees."





STRATEGIC PRIORITY 5

EFFECTIVE AND EFFICIENT OPERATIONS

[STRATEGIC GOALS]

- 5.1 Components of the education system aligned to achieve high performance.
- 5.2 Decision making authority and control at the most appropriate level closest to the classroom.
- 5.3 Informational and accountability systems capable of reporting strategic and operational results.
- 5.4 A funding system that provides adequate and aligned financial and personnel resources to maximize educational achievement.

STRATEGIC PRIORITY 5 | Focus on Effective and Efficient Operations

In July 2004, the N.C. Supreme Court upheld earlier rulings in Hoke County Board of Education v. State of North Carolina, giving the State Board of Education directives regarding assistance needed in disadvantaged school districts. The upheld court order was from the 1997 ruling known as Leandro, named for a Hoke County student who was a plaintiff in the case. The LEA Assistance Program (LEAAP), designed by the State Board of Education and the Department of Public Instruction, addresses districts' needs identified in the Leandro case.

Assistance for low-performing schools, as identified through the ABCs program, or schools requesting assistance has been in place at all grade levels since 1998-99. That assistance has evolved over the years and, in 2002-03, a district-level assistance program was developed and implemented in Hoke County. In 2003-04, a LEAAP team was assigned to Weldon City Schools while four other systems participated in some aspects of the pilot project and service continued in Hoke. (See results in chart below.)

RESULTS FOR SCHOOL DISTRICTS PARTICIPATING IN LEAAP						
SCHOOL DISTRICT	2002-03 PERFORMANCE COMPOSITE	2003-04 PERFORMANCE COMPOSITE				
Bertie	71.1	72.7				
Edgecombe	72.7	76 63.2 64.6				
Weldon City	53.3					
Hertford	66					
Hoke	70.4	72.5				
Northampton	69.6	75.5				

In 2004-05, 16 districts received a total of \$22 million in amounts ranging from \$200,000 to \$6 million in Disadvantaged Student Supplemental Funding for new pay incentives to recruit and retain strong teachers, to reduce class sizes, to provide extra tutoring for students, and other strategies. The districts were chosen according to a formula using variables including student proficiency, teacher turnover, teacher experience and number of students from low-income families. School districts receiving these supplemental funds and LEAAP team assistance are: Weldon City, Vance, Hertford, Hoke, Hyde, Warren, Lexington City, Northampton, Halifax, Thomasville City, Washington, Edgecombe, Franklin, Montgomery, Robeson and Elizabeth City/Pasquotank.

The \$22 million Disadvantaged Student Supplemental Funding requested by the State Board and provided by the Governor represents a new allotment category originally proposed by the Governor's Education First Task Force. Expansion of this fund may be needed each year in order to meet the educational needs of the state's most disadvantaged students. In North Carolina, the disparity between the real estate wealth of the wealthiest and poorest counties has



grown significantly in recent years. Although the poorest counties tend to tax themselves at higher rates, they are still unable to generate comparable funds. Low-wealth district funding has been provided for many years, but the new allotment category is designed to target funds directly to the state's most vulnerable learners. The State Board's budget request included more than \$58 million specifically targeted to special needs students and to poor and low-performing students.

The \$1.8 billion N.C. Public School Building Bond Act of 1996 put money into the state's school facilities. Since 1997, 937 school projects (155 new schools and 782 additions and/or renovations to existing schools) were supported by state bond funds (\$1.39 billion local funds, \$3.19 billion total). Results of the 2001 five-year facilities study, available on the Web at www.schoolclearinghouse.org, identified \$6.2 billion in facilities needs through 2006. In addition to the \$3.01 billion gap between facilities spending and the projected need in the 2001 survey, many school districts are growing faster than projected. Overall, the state's student population has grown about 6 percent over the past five years. Some urban districts, however, have experienced between 15 and 23 percent growth during that time. Legislation calling for smaller class sizes affects school capacity even without student growth.

Although school districts are primarily responsible for providing facilities, the state provides school construction aid to districts through the Public School Building Capital Fund (ADM fund) and the Critical School Facility Needs Fund as well as the 1996 Building Bond Act.

The ADM fund uses part of the corporate income tax revenues (about 7.25 percent) to provide counties with an allotment based on average daily student membership. Counties may let their allotments accrue until they are ready to use them for a specific project, at which time they must match one-third the amount from the state. The fund, administered by the Department of Public Instruction since 2003, is currently about \$60 million per year and is projected to increase to \$90 million per year by 2011-12. The fund was frozen for 2002-03 because of state budget shortfalls. Over \$812 million has been allotted since 1987. The current fund balance to be allotted is almost \$75 million.

The Critical School Facility Needs Fund, established in 1987, awarded \$95.5 million in 1988 and \$10 million per year afterward from the corporate income tax to districts with

the most limited ability to address critical building needs. After 2004, this fund will be included in the ADM Fund. Sixty school systems received \$259 million from this fund.

In addition to direct state aid, the state earmarks sales tax revenues for facilities improvements. State law allows counties to levy two one-half cent additions to the state sales tax (1983, 1986), 30 percent and 60 percent respectively goes to schools.

There is no recurring federal funding for public school facilities, however, two federal programs, School Renovation, IDEA, and Technology Grants and Qualified Zone Academy Bonds (QZABs), provided \$84 million for school renovations and emergency repairs in 2002-03.

A new facility needs survey and report will be conducted in 2005-06. In 2004, the legislature established a Local School Construction Financing Study Commission charged with examining the present system of local financing for school facilities, studying alternative options, and making a final report in April 2006.

In October 2004, 36 local school districts and 23 charter schools began converting their student information system to NC WISE (North Carolina Window of Information on Student Education). NC WISE is changing how student, teacher and school data are gathered and maintained. It provides secure, yet broader and more immediate access to student information for teachers, principals and guidance counselors through a Web-type interface. It is designed to replace the state's SIMS (Student Information Management System), which is a DOS-based system approximately 20 years old. Total cost of the transition for the entire state, which includes local technology upgrades, is expected to be approximately \$256 million.

NC WISE provides the tools to gather the information needed to support the state's approximately \$6 billion public school budget, to satisfy federal and state student accountability requirements and to provide easier transfer of student information when needed.

Not only does NC WISE provide broader access to information for educators who need it, it also helps facilitate better decision-making and strengthened relationships between schools and families. Forty schools per week will be converted until all school districts and charter schools are using NC WISE in 2007.



WELDON CITY SCHOOLS LEAAPS AHEAD

In 2003-04 a LEAAP team assisted Weldon City Schools' central office and assistance teams were assigned to each of the district's three schools. "Last year was do or die for Weldon City Schools and we did not have anywhere near all the hands or the capacity to do what we needed to do," says Dr. Kathi Gibson, who began her work as superintendent in the district that year. Central office, the Board of Education, and teachers welcomed the help.

The LEAAP team led staff in analyzing and using student achievement data to change instruction. "One of the challenges was getting school staffs to realize the urgency of improving student achievement in Weldon," says Dr. Sammie Campbell Parrish, who led the LEAAP team this year and last. Principals and teachers began taking a more

	2002-03	2003-04	
Weldon Elementary PK-4	Missed AYP Composite score of 53.2	Made AYP Composite score of 68.5 High Growth	
Weldon Middle 5-8	Missed AYP by two targets Composite score of 69.1	Missed AYP by one target Composite score of 71.9 No recognition	
Weldon High 9-12	Missed AYP Composite score of 37.6	 Made AYP Composite score of 49.2 High Growth, 10 Most Improved High Schools 	

targeted approach. Personalized education plans were developed for all students performing below grade level. "Teachers became extremely focused on individual student achievement and using the data," says Marion "Butch" Hudson, Jr., director of Assessment, Curriculum and Instruction.

Central office staff focused on curriculum at the district and school level, a new role for them. Now, all teachers in the district are teaching the N.C. Standard Course of Study and are using related benchmark tests. The focus is paying off and the district celebrated 2003-04 ABCs results in Fall 2004.

Providing better support for new teachers, improving teacher recruitment and retention, aligning professional development efforts with instructional priorities, aligning central office staff to better support school improvement efforts, funneling money to top priorities, and engaging the board and the community in long-range planning were other initiatives.

Teachers in their first or second years of teaching and lateral entry teachers have their classrooms visited daily by school-based curriculum coordinators, reading coaches, principals, or central office staff, including the superintendent, to provide feedback based on defined elements of instruction. The work is supported through a teacher mentoring grant with N.C. Central University. Almost one-third of the district's teachers are lateral entry or initially licensed teachers. Trained, veteran teachers help new teachers with their lesson plans, classroom skills, and other support.

With teachers in short supply and neighboring districts offering higher salaries, Weldon City Schools increased its teacher supplement from a flat \$300 to two percent of a teacher's annual salary. In addition, for 2004-05,

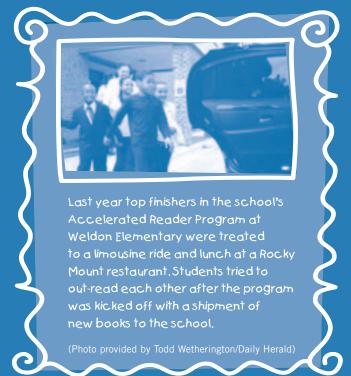
any teacher with 80 percent or more of his or her students on grade level gets a \$1,000 performance bonus in addition to any ABCs incentives. Teacher recruitment bonuses provide \$500 for teachers new to the district and \$500 to former Weldon City Schools students. The district offers a free master's program and attendance incentives as well. The annual teacher turnover rate is 18.28 percent in the district compared to the state average of 12.37 percent for 2003-04.

This year, the district must continue improving to meet ABCs growth expectations and higher AYP targets for 2004-05. The district still has its LEAAP team, but does not have the school-level assistance teams. Several new curriculum positions were added over the past two years to better support school improvement efforts and two additional teaching positions will help in reading instruction at the high school. Disadvantaged Student Supplemental Funding and new grant money should help.

A 21st Century Learning grant will be used to refurbish a building for remediation, enrichment and tutorial programs to be held after school and on Saturdays. A Reading First grant will further enhance reading efforts at Weldon Elementary. A U.S. Department of Agriculture grant will assist with distance learning at the high school, making foreign language and other courses available. Middle school students can take Algebra I through the Web and soon technical mathematics, pre-algebra and journalism will be available.

Perhaps the most important addition to the teaching/ learning improvement process is the buy-in of the students and parents themselves. This fall, principals led parentpacked meetings showing student pre-test scores and explaining needed progress. Students know to look for "staircase" benchmark improvement. "Once you get children talking about what they can do, that's the battle won," Dr. Gibson says. Community strategic planning is moving ahead under the motto: "Whatever It Takes."

Sometimes unusual measures are called for. Last year, third quarter benchmark tests indicated elementary and middle school students weren't showing needed growth. The school day was extended before final testing and shortened after final testing. Surprisingly, the idea was embraced by teachers, students and parents and the only major problem proved to be bus scheduling. Now, Dr. Gibson is meeting with parents in community centers and homes in the four corners of her district, talking about what it's going to take this year for progress to continue.



EXPANSION BUDGET REQUESTS FOR 2005-2007 STRATEGIC **PRIORITY** (NOTE 1) **REQUEST** 2005-06 2006-07 1 **EEO** Eliminate Discretionary Reduction which requires \$44.291.248 R \$44.291.248 R LEAs and charter schools to return a portion of their allotment 2 **HSP** Provide supplemental funding for the Disadvantaged 25.000.000 R 25,000,000 R Students, a key strategy to address the Supreme Court ruling on Leandro 3 QP Increase funding for Professional Development by 1,204,672 R 1,204,672 R 10% while further study of a professional development initiative takes place 4 **HSP** Increase funding for Academically and Intellectually 3.143.075 R 3.143.075 R Gifted students 5 QP Provide Full-Time Mentors at 1 per 15 teachers in their first three years of teaching (it is anticipated that this will reduce teacher turnover which is excessive in a teacher's first three years of employment) 33,297,580 R 33,297,580 R Provide Full-Time Mentors at 1 per 15 instructional support personnel in their first two years 1,356,394 R 1,356,394 R 6 **HSP** High School Reform Efforts -Expand the Learn and Earn program 3,583,401 R 3,583,401 R High School Reform Efforts -3,200,000 R 3,200,000 R Fund the Restructuring High Schools segment of the Gates Foundation New Schools Project 7 **HSP** Increase funding for students with Limited 3,864,310 R 3,864,310 R **English Proficiency** 8 **EEO** Pay for NCWISE Connectivity at the optimal level 3.000.000 NR for Low Wealth LFAs **HSP** Fund School Technology facilitators in schools with 32.615.733 R 32,615,733 R 8th grade and increase funding for LEA on-line subscriptions (SAS in Schools) and distance learning 10 SS Decrease the ratio of School Nurses to students from 5,738,590 R 5,738,590 R approx 1:1.686 students to 1:1.400 students

E	EXPANSION BUDGET REQUESTS FOR 2005-2007							
	STRATEGIC PRIORITY (NOTE 1)	REQUEST	2005-06	2006-07				
11	HSP	Increase funding for Children with Disabilities	46,704,793 R	46,704,793 R				
12	EEO	Add 10 positions in the Information Services Area of DPI: security program manager and analyst, business continuity planning analyst and 7 instructional technology consultants. Provide funds for Infrastructure and data transport upgrades, network intrusion software, storage area network and system replacements	744,892 R 2,020,000 NR	744,892 R 996,000 NR				
13	HSP	Reduce the ratio of Guidance Counselors in grades 9-12 from 1:387 students to 1:352 students	6,208,111 R	6,208,111 R				
14	FCB	Provide Parent Coordinators to 25 LEAs with highest number of disadvantaged students along with 2 positions at DPI to implement and coordinate the academic support network	1,854,225 R	1,854,225 R				
15	HSP	Provide funds for a control group of schools to participate in a Research Partnership with the Wisconsin Center for Education Research called "Funding What Works"	15,000,000 R	15,000,000 R				
16	EEO	Add a Purchasing and Contract Support position and a Bus Garage Help Desk Support position at DPI	163,330 R	163,330 R				
17	HSP	Add a Middle School Guidance Consultant position at DPI	80,000 R	80,000 R				
18	QP	Academic Rigor Placeholder/Senior Project Training	400,000 R	400,000 R				
19	QP	Retention Committee Placeholder						
		TOTAL	\$233,470,354	\$229,446,354				

(NOTE 1) STATE BOARD STRATEGIC PRIORITIES ARE:

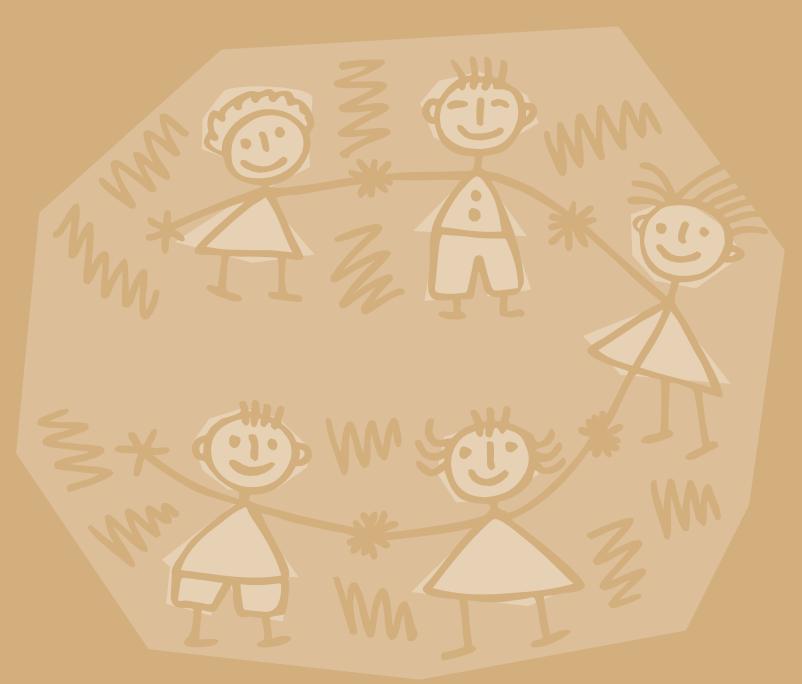
HSP - High Student Performance

SS - Healthy Students in Safe, Orderly and Caring Schools

QP - Quality Teachers, Administrators and Staff

FCB - Strong Family, Community and Business Support

EEO - Effective and Efficient Operations



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